

**FY 2006-2007 PROPOSED OPERATING BUDGET  
STUDY SESSIONS  
Meeting Minutes  
May 8, 2006 – May 19, 2006**

The Mayor and City Council met in open and public study sessions in Council Chambers, City Hall, during the two week period beginning on May 8, 2006. The Proposed Operating Budget was discussed, in general, by City Service Area. These minutes briefly summarize presentations and discussions. A formal roll call was dispensed with at each session; however, all members of the City Council are recorded as having been present, unless otherwise noted. “Documents Filed” are listed in Attachment A.

**Budget Study Session – May 8, 2006**

**Introduction**

Mayor Gonzales called the Study Session to order for May 8, 2006 at 1:09 p.m. He stated the Business Plans and Performance Measures for City Service Areas will be reviewed first, with major strategies, and next week, details of each CSA will be reviewed. He stated proposals from the Council are due May 22.

**Overview of the Proposed Operating Budget**

City Manager Les White, in opening comments, gave a presentation on the Economic Development Strategy, noted there is modest growth in the proposed budget, shared concerns about growth sustainability, and recapped current workload levels of unfinished Council referrals.

Director of Economic Development Paul Krutko made a presentation on CSA Key Strategic Goals and Objectives, including CSA Business Plans and Performance Measures.

Budget Director Larry Lisenbee, presented an economic overview of the proposed budget, including the General Economic Environment, a Summary of General Fund Sources; Total Operations by CSA (General Fund); General Fund Uses by Category; General Fund Projected Shortfall; General Fund—Balancing Strategy Tier I and Tier II, Guiding Principles, Changes in Sources, and Changes in Uses; Proposed Position Changes (All Funds); Total Staffing

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### **Overview of the Proposed Operating Budget (Cont'd)**

Comparison; Projected General Fund Forecast a Multi-Year Problem; Emergency Communication System—Support Fee Contingency Plan; Other Operating Funds, Fee Proposals, and Next Steps.

Council Member's questions were presented and addressed by Staff pertaining to Business Plans and Performance Measures.

City Manager White stated in response to Council Member Reed's inquiry, that Staff has been assigned to review options relative to the old City Hall and the Martin Luther King buildings and report back to Council with a workplan.

### **Neighborhood Services CSA/Business Plan and Performance Measures.**

Assistant Director, Parks, Recreation & Neighborhood Services, Albert Balagso, Library Director Jane Light, Director of Housing Leslye Krutko, and Deputy Director Julie Mark delivered the overview presentation for the Neighborhood Services CSA.

Extensive Council comments followed, with questions responded to by Staff.

### **Community & Economic Development/Business Plan and Performance Measures**

Redevelopment Agency Executive Director Harry Mavrogenes presented the San José Redevelopment Agency's Proposed Budget FY 2006-2007.

Director of Economic Development Paul Krutko, Deputy Executive Director of Redevelopment John Weis, Acting Director of Planning, Building and Code Enforcement Joe Horwedel and Assistant Director Economic Development Kim Walesh, delivered an overview presentation of the Community and Economic Development CSA.

### **Public Comments:**

George Fokos spoke about downtown businesses.

*The May 8, 2006 Budget Study Session was adjourned at 5:04 p.m.*

Budget Study Session May 10, 2006

**Community & Economic Development/Business Plan and Performance Measures (Cont'd)**

Mayor Gonzales called the meeting to order at 9:10 a.m. with all present except Council Member Cortese (excused absence). Council discussion began with the Strategic Goals and Objectives of the Community & Economic Development CSA. Next staff presented the Business Plan and Performance Measures.

**Public Safety CSA/Business Plan and Performance Measures**

Police Chief Rob Davis introduced the Public Safety CSA overview, with Fire Chief Jeffrey Clet, Independent Police Auditor Barbara Attard and Assistant Director Economic Development Kim Welsh responding to Council questions.

Council discussion ensued on various aspects of public safety.

**RECESS/RECONVENE**

*The study session recessed at 12:00 p.m. and reconvened at 1:12 p.m., with Council Members LeZotte and Cortese absent.*

**Transportation and Aviation Services/Business Plan and Performance Measures  
(CSA Lead: Transportation Director Helmer)**

An overview presentation of the Transportation and Aviation Services CSA was given by Director of Transportation James Helmer, with Police Chief Robert Davis, Director of Public Works Katy Allen, Assistant Airport Director Frank Kirkbride and Assistant Transportation Director Jim Ortbal who responded to Council questions.

Mayor Gonzales questioned the use of policy as outcome statements and stated his office would provide Staff with a list of his concerns.

Council discussion continued.

*Council Member Pyle left the meeting at 2:02 p.m.*

Mayor Gonzales stated that in November voters will vote on infrastructure bonds, which should provide over \$30 million for local streets, suggesting Staff report back with an investment strategy on how those funds might be used, preferably before the August/September timeframe.

### **Strategic Support CSA/Business Plan and Performance Measures**

Employee Services Director Mark Danaj, assisted by Public Works Director Katy Allen, and Acting Director of General Services Peter Jensen, provided an overview of the Strategic Services CSA.

City Attorney's Office - City Attorney Rick Doyle presented his section of the CSA.

Office of the City Auditor - City Auditor Gerald Silva presented his section of the CSA.

Office of the City Clerk - City Clerk Lee Price presented her section of the CSA.

Office of the City Manager - Chief of Staff Deanna J. Santana presented the City Manager's section of the CSA.

Council discussion followed.

*The May 10, 2006 Budget Study Session was adjourned at 3:32 p.m.*

### **Budget Study Session May 11, 2006**

Vice Mayor Chavez called the Study Session to order at 9:12 a.m. with all present but Chirco and Gonzales (excused absences). Discussion continued on the Strategic Support Services CSA.

### **Strategic Support Services CSA/Business Plan and Performance Measures (Cont'd)**

#### **Office of the City Attorney**

City Attorney Rick Doyle responded to questions from Council regarding compliance with the public records act, dispute resolution policies, the Healthy Neighborhoods Venture Funds, and litigation priorities and policies.

Council Member Cortese suggested as part of the City Attorney's support services to the Council, there could be regularly scheduled open study sessions on the Brown Act, possibly with outside expertise assisting.

#### **Office of the City Auditor**

Council Members asked questions of the City Auditor regarding the relationship between his office and City departments, goals and objectives and training procedures.

Office of the City Clerk

City Clerk Lee Price responded to Council questions about technology advances affecting workload efficiencies. She reported that following a comprehensive review of the technology of the Office of the City Clerk, needs have been documented and included in the Citywide IT Master Plan. She is working with the IT department to update archaic legacy systems in the Office.

Office of the City Attorney

City Attorney Doyle responded to Council questions regarding Brown Act clarifications between the characteristics of a study session and formal Council actions. City Attorney Doyle advised that discussions at Study Sessions were for the purpose of the City Manager to gain insight into Council's priorities and preferences for guidance in preparing the Administration's Budget Proposal, without formal Council actions at this time, and when noticed as such meets all Brown Act requirements.

City Clerk Price responded to Council questions about staffing and workload.

Office of the City Manager

Vice Mayor Chavez initiated discussion on the City Manager Office's workload and Interim City Manager White described his philosophy relative to dealing with multiple priorities. Chief of Staff Santana answered questions about the tracking and prioritizing of Council referrals.

Vice Mayor Chavez asked City Manager White to provide Council with his analysis of the staffing structure relative to Council priorities such as economic development and other driving forces for the City.

*The May 11, 2006 Budget Study Session was adjourned at 10:55 a.m.*

Budget Study Session May 15, 2006

Mayor Gonzales called the Study Session to order at 8:17 a.m. with all Council Members present.

### **Neighborhood Services CSA/Core Services Presentation\**

Assistant Director of Parks, Recreation and Neighborhood Services Albert Balagsos, with Deputy Director/Parks Julie Mark, Library Director Jane Light, Deputy Director Code Enforcement Mike Hannon, and Housing Director Leslye Krutko, summarized the CSA's Core Service Changes and Performance Measures.

There was extensive discussion on the range of services provided by this CSA, including Community Code Enforcement, Strengthening and Life Enjoyment Services, Affordable Housing Supply, Neighborhood Livability, Educational Support, Access to Information, Library and Digital Resources, and Services to Homeless and At-Risk Populations.

### **Community and Economic Development CSA/Core Services**

Director Krutko gave an overview of the Core Services Changes and Performance Measures presentation, with Division Manager Economic Development Irene Ray, Planning Deputy Director Horwedel, and Redevelopment Deputy Executive Director John Weis adding more information.

Mayor Gonzales and the Council began discussions on Arts and Cultural Development; Business/Job Attraction and Convention Facilities.

Discussions were continued to the May 17, 2006 Study Session.

*The May 15, 2006 Budget Study Session was adjourned at 12:00 noon.*

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### Budget Study Session May 17, 2006

Mayor Gonzales called the meeting to order at 1:19 p.m., with all present.

#### **Community and Economic Development CSA/Core Services (Cont'd)**

The Mayor and Council continued discussions on core services, beginning with various Public/Private Development issues, Housing Stock status, Fire Safety Code Compliance; Land Use and Neighborhood Improvement Strategies, and Workforce Development.

#### **Public Safety CSA/Core Services**

Police Chief Robert Davis presented the overview of Core Services Changes and Performances Measures. Council discussion followed.

*The May 17, 2006 Budget Study Session was adjourned at 4:21 p.m.*

### Budget Study Session May 18, 2006

#### **Environmental and Utility Services/Core Services**

(CSA Lead: Environmental Services Acting Director John Stufflebean)

Mayor Gonzales convened the Study Session at 8:04 a.m.; all present with Council Member Campos arriving at 8:48 a.m.

Acting Director Stufflebean made an overview presentation on the Core Services of the Environmental and Utility Services CSA.

Considerable discussion ensued between Council and Staff concerning Potable and Recycled Water; Recycling and Garbage Services; Wastewater; Natural and Energy Resources; and Sanitary and Storm Sewer Maintenance. In addition, Council discussed issues such as General Plan alignment with CSAs, status of the Material Characterization Study in Planning Department, solar power as energy alternative, and the needs in Coyote Valley development issues.

#### **Strategic Support Services CSA/Core Services**

Employee Services Director Mark Danaj gave an overview presentation, with Public Works Director Katy Allen, Assistant to the City Manager Peter Jensen, Interim Chief Information Officer Randy Murphy, Finance Director Scott Johnson.

Council discussion ensued.

### **Strategic Support Services CSA/Core Services (Cont'd)**

The Council questioned Staff on numerous issues, including various Staffing and recruitment procedures, outsourcing/insourcing ratios, and VOIP systems.

Council Member Campos inquired about workload balance in the Office of the City Clerk. Assistant City Clerk Nancy Alford responded that the City Clerk was asked to alert Council to any staffing needs.

### **Emergency Communications System Support Fee Contingency Fund**

Council discussion ensued.

### **City Auditor Recommendations**

City Auditor Gerald Silva summarized the eight recommendations from the City Auditor's Office. Council discussion followed.

### **Fees and charges**

Budget Director Larry Lisenbee presented an overview of the 2006-07 Proposed Fees and Charges. Deputy Director of Planning Horwedel outlined the 2006-2007 Proposed Development Fee Program.

Extensive Council discussion and questions followed.

### **Proposed 2006-2007 Capital budget**

Deputy City Manager Ed Shikada presented an overview of the Proposed 2006-2007 Capital Budget.

### **Public Comment:**

Beverley Bryant, Home Builders Association of Northern California, commented on fees and charges in Public Works and the Building Department.

*The May 18, 2006 Budget Study Session was adjourned at 11:39 a.m.*



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Budget Study Session May 19, 2006

Mayor Gonzales called the meeting to order with all present at 8:03 a.m. to continue discussion of the 2006-2007 Proposed Capital Budget and the Proposed 2007-2011 Capital Improvement Plan.

Extensive Council discussion of the Capital Budget proposals continued, in the areas of Community & Economic Development; Environmental & Utility Services; Public Safety; Neighborhood Services; and Transportation & Aviation Services.

Mayor's Budget & Policy Director Joe Guerra presented a brief update for the Mayor's Office.

*The May 19, 2006 Budget Study Session was adjourned at 10:35 a.m.*

**ATTEST:**

**LEE PRICE, M.M.C., CITY CLERK**

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## **ATTACHMENT A**

1. Agenda for May 8, 2006 Study Session on the 2006-2007 Proposed Operating Budget
2. Staff Presentation: 2006-2007 Proposed Operating Budget Overview
3. Staff Presentation: CSA Summary/Key Strategic Goals & Objectives
4. Staff Point Presentation: Economic Development Strategy/Economic Outlook.
5. Staff Presentation: Neighborhood Services CSA/Business Plan
6. Agenda for May 10, 2006 Study Session on the 2006-2007 Proposed Operating Budget
7. Staff presentation: Public Safety CSA/Business Plan
8. Staff Presentation: Transportation and Aviation Services CSA/Business Plan
9. Staff Presentation: Strategic Support CSA/Business Plan
10. Staff Presentation: Strategic Support/Departmental Workload Summary for FY2005-2006 and 2006-2007
11. Agenda for May 11, 2006 Study Session on the 2006-2007 Proposed Operating Budget
12. Staff Presentation: Environmental & Utility Services CSA/Business Plan
13. Agenda for May 15, 2006 Study Session on the 2006-2007 Proposed Operating Budget
14. Staff Presentation: Neighborhood Services CSA/Core Services
15. Copy of Power Point Presentation: Community & Economic Development CSA/Core Services
16. Agenda for May 17, 2006 Study Session on the 2006-2007 Proposed Operating Budget
17. Staff Presentation: Public Safety CSA/Core Services
18. Staff Presentation: Transportation & Aviation Services CSA/Core Services
19. Memorandum from Redevelopment Executive Director Mavrogenes, dated May 17, 2006, providing responses to Council questions at the May 15, 2006 Study Session on the Proposed 2006-2007 Capital Budget.
20. Agenda for May 18, 2006 Study Session on the 2006-2007 Proposed Operating Budget
21. Staff Presentation: Environmental & Utility Services CSA/Core Services
22. Staff Presentation: Strategic Support CSA/Core Services
23. Staff Presentation: 2006-2007 Proposed Development Fee Program
24. Agenda for May 19, 2006 Study Session on the 2006-2007 Proposed Capital Budget and 2007-2011 Capital Improvement Program
25. Staff Presentation: Community & Economic Development CSA/Capital Program-Developer Assisted Projects
26. Staff Presentation: Environmental & Utility Services CSA/Capital Programs
27. Staff Presentation: Public Safety CSA/Capital Program
28. Staff Presentation: Neighborhood Services CSA/Capital Programs
29. Staff Presentation: Transportation & Aviation Services CSA/Capital Programs
30. Staff Presentation: Strategic Support CSA/Capital Programs